



Arizona State Retirement System

3300 North Central Avenue, Phoenix, AZ 85012
WWW.AZASRS.GOV

Employer Information

Changes to GASB Pension Reporting to affect Employers in 2015

Significant pension reporting changes have been developed by the Governmental Accounting Standards Board (GASB) that will impact the Arizona State Retirement System and its participating employers.

GASB Statement 67, Financial Reporting for Pension Plans, and GASB Statement 68, Accounting & Financial Reporting for Pensions, were issued by the GASB in June 2012 and become effective as of fiscal year end June 30, 2014 and June 30, 2015, respectively. GASB 68 may have a significant impact on employers' financial statements.

The new standards contained in GASB Statement 68 set divergent methodologies for pension funding and financial reporting. GASB 68 requires employers to report their proportionate share of the net pension liability in their financial statements. Calculation of pension expense for employers will change, and deferred outflows of resources and deferred inflows of resources related to pensions will also be reflected on the financials. There will also be substantial financial statement note disclosures and additional required supplementary information related to the employers' participation in the ASRS.

The ASRS will provide the required financial reporting information to individual employers.

The ASRS is currently analyzing the proposed changes. In addition, the GASB has projected it will issue its Implementation Guide for GASB 68 in January 2014. Once the Implementation Guide has been issued, the ASRS will conduct informational meetings and have more details available in the Spring of 2014.

Established in 1984, GASB is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. These changes were promulgated by the GASB in order to improve transparency in financial reporting, enhance decision usefulness of information, assess accountability and inter-period equity and improve comparability of reported pension information.

The ASRS will continue to provide updates on this issue as information becomes available. In the meantime, for additional information, employers may contact the Employer Relations division at EmployerRelations@azasrs.gov.